

## Written evidence submitted by the Cycle to Work Alliance

### Introduction

- The Cycle to Work Alliance (C2WA) is a coalition of the four largest providers of the Cycle to Work Scheme (Cycle Scheme, Cycle Solutions, Evans Cycles and Halfords). Together, we represent around 80 per cent of the market and, since our formation in 2010, have worked closely with government to maximise and promote the Scheme's many benefits.
- The Cycle to Work scheme is a tax-exempt, salary sacrifice employee benefit through which employers can encourage their employees to take up cycling. Over the last ten years, it has encouraged more than 1.5 million people to cycle to work and save on the cost of a new bike.

### Executive summary

- The Cycle to Work scheme is a proven mechanism for encouraging positive behaviour change and getting people to cycle to work. It is integral to the government's objectives across the environment, decongestion, public health and, ensuring the safety of commuters after lockdown. Scheme participants represent a diverse range of demographics, working in a wide variety of sectors, for small, medium and large businesses, and representing all ages, incomes and regions.
- As lockdown measures ease, many commuters are understandably concerned about the safety of using public transport, whilst government and local authorities are keen to avoid a surge in the use of cars. It is crucial that buses, trams and trains are available to those who have no other option but to commute by public transport. However, cycling will be appropriate for many employees, and the scheme is the best mechanism for helping them to obtain a bike.
- Since lockdown measures were introduced across the UK, the Cycle to Work scheme has supported tens of thousands of people to obtain a new bike and cycling equipment, tax-free, and spread the cost over a year. In May 2020, there was a 50% growth in participants compared to the previous year, and there have been even higher levels of increases in participation for some public sector organisations whose key workers still needed to get to work throughout the current lockdown.
- We warmly welcome the government's decision to update the Cycle to Work scheme guidance last year, improving access to e-bikes and opening up the scheme to disabled cyclists, older workers and those who live further from work. Going forwards, to ensure as many people possible can participate, we're calling on government to expand access to the scheme for the millions of self-employed workers across the UK so they too can reap the benefits.

### The Cycle to Work Scheme: a proven mechanism

- Under normal circumstances, the Cycle to Work scheme plays an important role in getting people to cycle to work and encouraging positive behaviour change. In the last twelve months, our members supported more than 150,000 people to obtain a new bike and cycle to work through the scheme.

- The scheme has a strong track record in changing behaviour towards cycling. As our recent survey found, six in ten scheme users say they would drive to work if they didn't cycle, and two in three are cycling more than before they joined. The other third is cycling the same amount.<sup>1</sup>
- It encourages people from all backgrounds to get cycling. Seven in ten participants are basic rate taxpayers, and a third of scheme users are over the age of fifty. Participants work across various sectors and professions. Nearly a quarter of scheme users work in the public sector, and a further 14.34% work in education.
- Its users are spread all over the country. Whilst there are high rates of participation in London (14.59%) and the South East (13.73%), a similarly high number of scheme users live in the South West (13.68%) and the North West (10.53%).
- 16% of employers offering the scheme operate nationally, and the rest are spread across the UK - nearly three quarters are based outside of London and the South East. Businesses of all sizes offer the scheme to support their employees with more active lifestyles by cycling to work. Six in ten employers offering the scheme are SMEs (and employ less than 250 people).

### The new normal: getting people back to work safely after lockdown

- Cycling is already, and will continue to play a crucial role in getting people back to work safely and in the economy's recovery as we begin to resume normality after lockdown.
- Recent research has found that more than half (53%) of employees living in cities are now considering cycling to work, and two thirds (64%) say the main reason for this is to avoid 'unsafe' public transport.<sup>2</sup>
- Coronavirus has amplified the extent to which the scheme is viewed by employees as the natural option for obtaining a new bike and cycle equipment. For example, in May, there was an increase of more than 50% in the number of employees joining, compared to the same month in 2019.<sup>3</sup>
- We have seen significant growth in scheme participation across some public sector organisations, whose key workers needed to continue travelling to work during lockdown. For example, there have been increases of more than 100% in scheme participation for some police forces and ambulance services.
- The surge of employees wishing to access the scheme shows many are actively preparing to embrace cycling as the normal, as more of the UK prepares to come out of lockdown.

### Unlocking the e-bike revolution through the Cycle to Work scheme

- The C2WA warmly welcomed the government's decision to update the scheme's guidance last year and improve access to e-bikes through the scheme. Since the update, members of the C2WA have worked with employers to roll out the scheme to participants across the country.

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<sup>1</sup> Cycle to Work Alliance, 2020 Employer / Employee Survey, June 2020

<sup>2</sup> OnBuy.com, [Cycling revealed as the top commute option for city workers](#), 11 June 2020

<sup>3</sup> Cycle to Work Alliance, Providers Market Data

- E-bikes will be hugely important to the mobility landscape of the UK in the future, and the Cycle to Work scheme is playing a significant role in unlocking the e-bike revolution across the country. However, one of the biggest barriers to e-bike uptake is affordability, and nearly a quarter of scheme participants said the reason they hadn't previously considered one is the cost associated.
- The decision to update the scheme last year has made access to e-bikes far more attainable, especially for audiences who have the most to benefit from them, as it helps to spread their cost over the long-term whilst providing significant tax-savings.
- One group that can benefit in particular from the better access to e-bikes are older workers. Two thirds of scheme users over the age of 50 are more likely to re-join the scheme in light of the guidance update and greater access to e-bikes. One in ten users said they had already joined the scheme to get access to an e-bike, and three in ten have considered acquiring one through the scheme – this rises to four in ten for those over the age of 50.
- The updated guidance has also been embraced by businesses across the country, who support their employees to acquire an e-bike through the scheme. Around two thirds of employers said the decision to remove the cap and improve access to e-bikes is already attracting more employees to the scheme.

### Ensuring everyone can benefit from cycling to work

- We understand that cycling to work will not be possible for everyone. Many will be limited by distance or disability, for example. However, as we move out of lockdown measures, ensuring as many people as possible cycle to work will be essential to freeing up space on public transport for those who cannot cycle to work. It will also allow us to ensure car usage does not surge, with active travel viewed as the natural choice for short and medium commutes.
- The scheme is already a hugely popular employee benefit, and three quarters of employers view it as integral to their benefits package. In the last twelve months, more than 150,000 people have obtained a bike and cycling equipment through the scheme. However, there is still room for the scheme to grow and help millions more people to benefit from cycling to work.
- To support more people than ever to access the scheme, we're calling on government to expand the scheme to the self-employed. Like Pay-As-You-Earn (PAYE) employees, many self-employed workers need to travel to their place of work and there is no reason why cycling shouldn't be the default option for them too.
- The government's priority is to encourage as many people possible to cycle to work as we ease out of lockdown, avoiding a surge in car use whilst reducing reliance on public transport. Expanding the scheme to include the self-employed, who now account for more than five million people across the UK, will mean they too can enjoy the benefits of regularly cycling to work and play a role in minimising reliance on cars and public transport as lockdown measures ease.<sup>4</sup>

June 2020

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<sup>4</sup> Office for National Statistics, [Coronavirus and self-employment in the UK](#), 17 April 2020